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Solar Energy on Campus

Part IV: Community Purchasing Campaigns and Renewable Energy Usage Claims

Guidance for Developers, Customers, and Higher Education Institutions

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Numerous new purchasing options exist that empower communities to take control and become the decision-makers who determine the sources of electricity that power their homes and businesses. These options are sometimes collectively called "Community Solar" (or "Community Renewables"). This document focuses on one such Community Solar option available to higher education institutions ("universities"): Solarize Campaigns. A number of schools have already taken advantage of this option, including St. Olaf College and University of Utah.[1] This document examines how Solarize Campaigns are structured, describes the various renewable energy certificate (REC) ownership models available, and provides best practices for the parties involved.

Solarize Explained

Solarize Campaigns are a method of facilitating community-wide collective purchasing of residential solar photovoltaic (PV) systems. Solarize Campaigns help customers overcome some of the financial, technical, and logistical barriers of installing rooftop solar through the benefits of group purchasing and community education and outreach. Solarize Campaigns also move customers to act by creating community momentum and instituting a limited timeframe within which customers must act to receive the discounted negotiated price.[2]

1. For a more detailed look at some higher education institutions that have completed a Solarize Campaign see the U.S. EPA's Green Power Partnership's Webinar "How Colleges and Universities Can Help Accelerate Community Deployment of Solar," available at www.epa.gov/greenpower/gpp-webinar-how-colleges-and-universities-can-help-accelerate-community-deployment-solar.

2. For more information on Solarize Campaigns please see NREL's *The Solarize Guidebook: A community guide to collective purchasing or residential PV systems.* Available at: www.nrel.gov/docs/fy12osti/54738.pdf.

Under a Solarize Campaign, a local nonprofit typically acts as a project manager, coordinating meetings with community members as well as with developers. On one side of the transaction, the nonprofit manages the Request for Proposal (RFP) process and negotiates contract details with developers, often negotiating a discount in exchange for the high volume of installations. On the other side, the nonprofit performs community-based outreach and education, unpacking the details of the various contract options with community members. In the end, the community chooses one developer who will install solar PV systems on the homes of all interested customers within the single community.

Higher Education Institution-led Solarize Campaigns

Under a higher education institution–led ("university-led") Solarize Campaign, a university acts as the project and community organizer. In this role, the university partners with the local nonprofit or a technical advisor, and then performs outreach to bring together individuals in the community who might be interested in installing solar. Often, one of a university's goals in participating in a Solarize Campaign is to make claims about renewable energy usage or renewable energy development. As such, outlining REC ownership early on is important, both in terms of the claims a university can make regarding achieving its goals and in terms of how the Solarize Campaign should be marketed to community members.

REC Ownership

Under a university-led Solarize Campaign, there are multiple REC ownership options. Two of the most common options are discussed below. Clarity on REC ownership is important to ensure that all Solarize participants clearly understand the benefits of their participation in the program, and it helps avoid reputational and legal risk for the developer, customer, and university.

1. Customer has a choice: RECs are retained by the customer, or RECs are assigned to the university.

One option is that the customer receives the RECs from the developer and then decides whether to provide the RECs to the university or keep the RECs for their own usage. If the university is given the RECs, the customer cannot claim to be using renewable energy; if the customer keeps the RECs, the university cannot claim to be using renewable energy.

2. Utility receives RECs

A second option is that the utility receives the RECs. This could be because of an incentive that, if accepted, assigns RECs to the utility. Alternatively, the developer could sell the RECs to the utility to help finance the systems and keep customer costs low. In either case, neither the university nor the customer can claim to be using renewable energy. See below for example claims each party can make if the utility receives the RECs.

University Claim

"We've helped install solar generation in the local community that is used to help the state meet its renewable energy goals!"

Customer Claim

"We've installed solar panels on our roof. All renewable energy goes to the state to help meet its renewable energy goals!"

Developer Marketing

"Support the state in meeting its renewable energy goals! All renewable energy from your solar panels will go to the local utility."

Solarize Campaign Claims & Responsibilities Guidance

The Federal Trade Commission (FTC), state governments, industry associations, and even a solar contract provide guidance and directives on how to market renewable energy purchases and what kinds of claims various parties can make. The information below outlines responsibilities of the various parties involved in terms of proper disclosures and appropriate renewable energy claims.

Guidance for Universities

As the organizer of a Solarize Campaign, Universities must be aware both of how to present the program to the community as well as how to publicly discuss the environmental benefits of their own role in the transaction.

Universities must clearly describe the role of RECs for the community and present clear and transparent information to customers about REC ownership and the associated benefits. RECs represent renewable energy generated and are essential to renewable energy ownership and usage.

If a developer or utility is receiving the RECs from these PV systems, the university cannot claim to be using the solar energy installed through the program—this includes making claims that it has "gone solar." If the university is procuring RECs elsewhere, the claim of renewable energy usage must be associated with the RECs purchased or the utility green pricing program for which it has subscribed (See "REC Arbitrage" in *Solar Energy on Campus [Part II: Solar Purchasing Options and Communicating Renewable Energy Use]*).

Where the customer is given a choice on whether to retain RECs or sell them to the university, a university has a suite of responsibilities to that customer. The customer must be clearly informed on REC ownership and that by selling their RECs they are no longer using renewable energy. The university should also fairly compensate customers for the environmental attributes (RECs) of the renewable energy generated. It's not possible for both the university and the customer to "go solar" as the result of the same generation from a PV system.

If a goal of the Solarize Campaign is for the university to help meet its sustainability goals that involve renewable energy usage (which requires university REC ownership), the program should not be marketed as a way for the customer to "go solar," for example. Instead, the university should market the program as a way for the customer to support the university's renewable energy usage goals.

Guidance for Developers

Developers are responsible for clearly defining RECs and REC ownership within their marketing materials and contracts (see *Solar Energy on Campus [Part III: Key Considerations for Solar Developers Working With Higher Education Institutions]*). Under a university-led Solarize Campaign, it is important that the developer take reasonable measures to make sure that both the university and the customer understand the environmental benefits of their respective roles in the transaction. If the developer is retaining RECs and selling them to the local utility, or the RECs are being assigned to the utility, the program marketing could say: "Support the state in meeting its renewable energy goals! All renewable energy from your solar panels will go to the utility."

Developers should coordinate with the involved university to standardize accurate marketing. Where the goal of a Solarize Campaign is for the university to purchase RECs from the customer, developers should work with the university to ensure the program is marketed to customers accordingly. For instance, the developer and university could say: "Support the university's goal of going solar! All renewable energy generated from your solar panels will go to the university."

Guidance for Solarize Customers

Customers must be informed on REC ownership and the associated benefits (See *Guidelines for Renewable Energy Claims: Guidance for Consumers and Electricity Providers* at www.resource-solutions.org/publications). Even if a customer has signed a contract with a solar developer or has installed rooftop solar, they are restricted in the public claims they can make if they do not receive or keep the RECs produced at that site.

Customers should carefully read the details of any contract they sign with a solar developer or the associated university, and look specifically for any mention of "Renewable Energy Certificates" or "Environmental Attributes." If either contract conveys the REC to another party (such as the developer, a utility, or the university), the customer cannot claim renewable energy usage. Instead they could say: "We generate renewable energy on behalf of another party."

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